



# FACT SHEET: Chapter 53A, *Tenant Displacement, of the Montgomery County Code*

## Revised Tenant Displacement Law Goes into Effect January 15, 2002

Chapter 53A, *Tenant Displacement*, Montgomery County Code, provides the public sector and tenant organizations with the opportunities to purchase certain multifamily rental housing if it is threatened with becoming unaffordable. Additionally, it provides certain protections to minimize tenant displacement. Below are highlights of the recently revised law.

### Notice of Sale:

Within 5 days after an owner enters into a bona fide contract of sale to sell the rental housing, the owner must provide written notice of the sale to each tenant and to the County.

### Right of First Refusal to Buy the Rental Housing:

An owner is required to offer the Department of Housing and Community Affairs ("DHCA"), the Housing Opportunities Commission ("HOC"), and any tenant organization the right to buy rental housing before selling the rental housing to another party.

### Sales Not Requiring the Right of First Refusal:

The owner may sell the rental housing if the County approves an agreement that prohibits the buyer from converting the rental housing for at least 5 years after the sale. For the first 3 years, all tenants who resided in the rental housing at time of sale are covered. For the last 2 years, up to 20 percent of these tenants are covered if the tenant qualifies as a low or moderate-income tenant.

### Conversion of Rental Housing:

An owner must not convert rental housing unless the owner notifies each tenant at least 120 days before converting the building. An owner must pay a tenant relocation assistance equal to two months rent if the tenant moves out of the rental housing no later than 180 days from receipt of the notice.

### CHAPTER 53A COMPARISON CHART

#### BEFORE 1.15.02

Applies to multifamily rental housing built before February 5, 1981, with a total of at least 10 units.

Tenant Organizations required to obtain 30 percent tenant participation for certification by DHCA.

Tenant Organizations must file for certification within 30 days after receiving offer from owner.

Tenant Organizations have 30 days after certification to exercise right of first refusal.

3 Year Rental Agreements

Owners required to provide tenants with at least 60 days written notice before converting the rental housing.

Owners required to pay up to a maximum of \$950.00 in relocation assistance to each qualified tenant.

#### AFTER 1.15.02

Applies to multifamily rental housing built before February 5, 1981, with a total of at least 4 units.

Tenant Organizations required to obtain 30 percent tenant participation for certification by DHCA. Tenant Organizations required to obtain a majority to ratify purchase.

Tenant Organizations must file for certification within 45 days after receiving offer from owner.

Tenant Organizations have 45 days after certification to exercise right of first refusal.

5 Year Rental Agreements

Owners required to provide tenants with at least 120 days written notice before converting the rental housing.

Owners required to pay relocation assistance equal to twice the monthly rent to each qualified tenant.

CHANGE

